

# Prepaid Telephone Calling Cards: Questions You Should Ask

## OUCS Consumer Fact Sheet

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Prepaid telephone calling cards have become popular and useful tools for many consumers, especially because of their convenience and the many options that are available. But as with other competitive telecommunications services, prepaid calling cards offer advantages and disadvantages. Prepaid cards can be convenient and helpful to consumers. But at the same time, the consumer should also be aware of the potential pitfalls.

**If you are considering buying a prepaid calling card, you should shop around, read the fine print and most importantly, make sure that the card's service is provided by a reputable company.** These are some of the questions consumers should ask:

### How reputable is the company?

- There are consumers who have purchased calling cards only to see the company go out of business a short time later. When this happens, the customer is typically left with a worthless calling card and no chance of getting any money back.
- Make sure you are buying from a company you are familiar with, and buy the card only if you are confident that the company will stay in business.
- Some companies that sell prepaid calling cards are very reliable, have proven themselves over time, and have names that most consumers recognize.
- Ask about any satisfaction guarantees and make sure the company has a customer service number that you can reach at any time. (If the customer service number is frequently busy, keep shopping.)
- Ask if the retailer selling the card will stand behind it if you have problems with the provider.

### What is the stated cost per-minute?

- The stated cost per-minute can vary greatly among calling cards, and it may be substantially more or less than the regular long distance rates you would pay from a standard telephone at home.
- The cost per-minute may be charged at one rate for in-state calls and another for out-of-state calls. Get answers on these issues and buy the right card for your needs.

### What is the actual cost per-minute?

- Are there any additional fees or charges?
- Some cards may come with sign-up, activation, and/or connection fees that are "paid" for by reducing the minutes on your card.
- Be sure to ask if there are any "hidden" charges and if so, what they are.



### Are there any minimum charges?

- Find out if there is a minimum charge per call. If there is, you may want to keep looking.
- Find out if you'll be charged for making a call even if the number is busy or if there is no answer.
- Ask whether there is a monthly minimum charge or any kind of service charge (even if the card is not used).

### Does the card include a toll-free access number?

- It is a good idea to test the number to make sure that it works.
- When testing the access number, pay attention to the sound quality and amount of static on the line.
- If the number does not work or is frequently busy, keep shopping.

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## When does the card expire?

### Where can I call to and from?

- Some cards can only be used for calls within the United States, while some charge an extra fee for international calls and calls to Alaska and Hawaii.
- Some cards may not work for in-state calls.
- Some cards may charge extra or deduct extra time if used from payphones, hotels or other phones from which local calls are not free.

### Have your friends, relatives or co-workers used prepaid calling cards?

- If they have, they may be able to offer helpful advice, recommendations or warnings about cards or providers they have used.

### Before buying a prepaid calling card, you should also:

- Understand the card's dialing instructions, and plan to follow the instructions on every call.
- Find out whether you can add more calling time if the card is running low on minutes (instead of buying a new card), and whether you can "re-charge" the card (by making a credit card payment over the phone or through the retailer that sold you the card).
- Determine whether using a prepaid card will help you manage your telephone use, including your budget, the number of calls you make and the amount of time you spend making telephone calls.
- Know the card's billing intervals:

If you are billed in intervals of:	And your call lasts:	The company will round the call up to:
1 minute	10 minutes, 1 second	11 minutes
5 minutes	10 minutes, 1 second	15 minutes (In other words, you'll pay for nearly 5 unused minutes.)

- Use your judgment (especially with cards that offer extraordinarily low rates) and remember two old but important adages:

- **If it sounds too good to be true, it probably is.**
- **Read all of the fine print.**

The best way to get a fair deal on a prepaid calling card is to:

- Ask the questions above,
- Shop around,
- Read all the fine print,
- Buy a product you are comfortable with, and
- Know exactly what you are getting.

However, if you are unsatisfied with a prepaid calling card and the company does not resolve your complaint to your satisfaction, you can report the problem to the Federal Trade Commission toll-free at 1-877-382-4357. Complaints to the FTC can also be filed online at [www.ftc.gov](http://www.ftc.gov).



In addition to providing information about prepaid calling cards, the Indiana Office of Utility Consumer Counselor (OUCC) encourages all consumers to be fully informed about telecommunications and utility services. The OUCC offers Consumer Fact Sheets on Shopping for Long Distance Service, Understanding Your Phone Bill and a variety of other issues to the public free of charge. All OUCC publications are available via the OUCC's Website at [www.IN.gov/oucc](http://www.IN.gov/oucc), or by calling the agency's consumer services staff toll-free at 1-888-441-2494.

The Indiana Office of Utility Consumer Counselor (OUCC) is the state agency that represents the interests of all utility consumers and the general public in matters related to the provision of utility services.

The agency is active in proceedings before regulatory and legal bodies, and committed to giving consumers a voice in the creation of utility service policy.

